September 24, 1993 REPORT TO THE HONORABLE MAYOR AND CITY COUNCIL

LEGAL AUTHORITY AND POTENTIAL LIABILITY FOR CITY'S ENTREPRENEURSHIP PROGRAM

The City Manager has for the past two (2) years embarked on a major entrepreneurial effort in large part to raise revenue for the City. To date, two (2) pilot programs, the City Store and City Ventures (public/private partnership or sponsorship) have been authorized by City Council resolution (City Store by Resolution No. R-278672, adopted on September 23, 1991, and City Public/Private Partnerships by Resolution No. R-281549, adopted on March 1, 1993). The City Council is being asked to approve a new project, the establishment and operation of the Centre of Organization Effectiveness on September 27, 1993 (City Attorney Resolution No. R-94-396).

The City Attorney has worked closely with the City Manager in the past two (2) years to identify and analyze legal issues arising out of proposed and existing entrepreneurial projects. The City Attorney set forth a summary of those legal issues and analysis of the possible outcome of potential lawsuits arising out of the projects in a Memorandum of Law to the City Manager dated September 23, 1993.

Under Section 32.1 of the San Diego City Charter, as amended on June 2, 1992, the City Attorney believes he has a duty to share the results of his research on legal issues arising out of entrepreneurship with you. Therefore, a copy of the Memorandum to the City Manager is attached for your review.

Respectfully submitted,

JOHN W. WITT City Attorney CCM:jrl:013(043.1) Attachment RC-93-42 TOP TOP